

# **SCALING UP FOR BETTER HEALTH IN ETHIOPIA**

## **HARMONIZATION & ALIGNMENT IN ETHIOPIA**



**The Federal Democratic Republic of Ethiopia  
Ministry of Health**

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# Outline of presentation

- Why Harmonization and alignment
- Basic principles of H&A
- H&A in Ethiopia
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  - JFA and MDG PF
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# Why Harmonization and Alignment

- From the very outset, the government recognized that health problems in the country are huge in magnitude and complex in nature.
- To solve these multi-faceted problems of the sector requires time and concerted efforts of the government, the private sector, non-governmental organizations, multilateral and bilateral development partners, and above all the public at large.

# Why Harmonization and Alignment

- Although the support given to the sector by development partners was appreciated; the innumerable plans, budget channels and reporting requirements were causing serious burden to the already weak health system and capacity
- Therefore, this situation triggered the need to harmonize and align the procedures and practices of development partners with that of the government.

## Basic principles behind the harmonization and alignment agenda

- H&A is about improving the whole system of health sector planning and implementation.
- Harmonization means coordination of activities amongst all stakeholders to reduce the transaction cost of delivering aid and services.
- Alignment means “lined up with government priorities” or jointly agreed strategic and annual plans and its priorities.

# Harmonization and Alignment in Ethiopia

Development and signing of the Code of Conduct in 2005

- Harmonization and alignment has become a global movement to improve the aid effectiveness to achieve the MDGs.
- The Government developed Harmonization Action Plan in cooperation with development partners.
- Within this broader framework, the health sector launched a sectoral action plan to promote harmonization in July 2005.
- Based on the plan a Code of Conduct was prepared and signed by FMOH and some development partners

# Harmonization and Alignment in Ethiopia

HHM manual in 2007

- Is a follow up move and step of the code of conduct towards harmonization and alignment through implementation of one plan, one budget and one report at all levels in the sector.
- It also defined mechanisms of developing Regional and local strategies , to reflect the country level strategic program at local levels.
- Thus, Regions, Zones, Woredas and Health facilities are encouraged and required to revisit and harmonize their strategic plans with the sector's strategies.

# What is IHP+

- The International Health Partnership was launched in 2007 in response to the need to accelerate progress on the health Millennium Development Goals

## Objectives

- To accelerate progress towards health related MDGs
- To increase access to defined priority health services
- To support strong and comprehensive country and government-led national health plans
- To strengthen and use existing systems for coordination,
- To share accountability for achieving results.
- The details for implementation of the objectives of the IHP were to be determined locally.
- Ethiopia is the first to sign the country Compact, signed on August 2008



# WHY IHP+

Why did we need IHP+

- Total development assistance for health more than doubled between 2000 and 2010.
- The number of global initiatives designed to tackle specific health priorities also increased dramatically during this period.
- **However**, despite the rise in resources, progress on the health MDGs has been mixed. The bottlenecks to progress have become clearer. Some are to do with weak health systems. **Some are to do with the level and way health aid is provided\_\_\_\_\_ the need to work on aid effectiveness!!**

# Harmonization and Alignment in Ethiopia

JFA and establishment of MDG PF 2009

- **JFA, Joint Financing Arrangement**, refers to the arrangement that sets out the jointly agreed terms and procedures for MDG Fund management, including planning, financial management, governance framework and decision-making, reporting, review and evaluation, audit and supply chain management.

# MDG PF

- The MDG Fund is a pooled funding mechanism managed by the FMOH using the Government of Ethiopia procedures.
- In the framework of the Ethiopia IHP compact, it provides flexible resources, consistent with the '*one plan, one budget and one report*' concept, to secure additional finance to the Health Sector Development Programme.
- It is one of the GoE's preferred modalities for scaling up Development Partners assistance in support of HSDP.
- As of 2015, 12 partners are contributing to MDGPF

# Joint Financing Arrangement

- **Scope of MDG fund and JFA:**
  - Eligible expenditures: any priority of the government are eligible except wage costs (at either Federal or sub-national levels)
- **Responsibilities of the FMoH:**
  - Carries overall responsibility and accountability for the performance of the health sector as a whole, including the MDG Fund, ensuring that all activities undertaken within the sector contribute to HSDP goals and priorities.

# Joint Financing Arrangement

- **Responsibilities of DPs:**
  - Providing resources to the MDG Fund in line with principles of aid effectiveness, the commitments of the IHP Compact and the procedures set out in the JFA
- **Institutional arrangement and decision making:**
  - the dialogue, governance and decision-making of the MDG Fund is provided by the existing health sector coordination framework which consists of a two tier collaborative governance system made up of the JCF and the JCCC.

# Joint Financing Arrangement

- **Planning:**
  - The HSDP targets, priorities and costing form the basis of the annual planning process.
  - The Woreda based planning process is the only sector planning process modality for the annual operational plan in the health sector
- **Flow of funds:**
  - The FMOH maintains the foreign currency account in the National Bank of Ethiopia for the MDG Fund
  - Signatories disburse according to a mutually agreed disbursement schedule and in line with the EFY

# Joint Financing Arrangement

- **Procurement:**

- The FMoH would be the budget holder for the MDG Fund and will delegate the procurement of goods to PFSA
- The PFSA will utilise its own procurement manuals in accordance to its proclamation (553/2007)

- **Reporting:**

- Quarterly activity based reports are sent to all signatories
- Annual performance will be included as part of the annual report for the sector





# Allocations from MDG PE

Focus areas	2001	2002	2003	2004	2005	2006
HEP				7.9%	3.3%	3.5%
Maternal Health	53%	11.30%	36.1%	21.4%	47.8%	36.0%
Child health	48%	12.10%	22.0%	7.6%	9.6%	5.0%
Infrastructures		27.90%	16.1%	7.6%		14.5%
Medical Equipment			25.3%	22.0%	21.3%	42.0%
Communicable disease		13.60%		12.8%	13.5%	12.0%
Essential drugs		19.10%		7.6%		
Health Care Financing		1.80%	0.9%	1.7%	0.7%	4.5%
HMIS		8.40%		6.9%	1.5%	1.2%
HR				10.7%	2.2%	7.1%
Governance		5.60%	0.3%	1.6%	0.2%	0.025%

**What is the added value?**

# Value added of H&A

- Duplication of effort, huge transaction cost reduced
- Reporting burden decreased
- Fragmented health sector support in to common mechanism (JFA) which is managed at the country level
- Better predictability of funding
- Priority setting focuses on joint planning and is mainly based on the gap identified

# Challenges

# Challenges

- Still some resources are not predictable and not for government's priorities
- Use of different channels for aid leading to higher transaction cost resulting in overstretching the capacity of the public sector to the limit
- Regions, (zones) and woredas receive resources through different channels; unplanned Activities/Duplication of efforts
- Too many resources for one technical program and too few for another ; Inequality of funding within Health programs

# Lessons learnt

# Lessons learnt

- Enabling
  - One country owned plan,
  - Agreed and simplified procedures having common arrangement and
  - One Standardized, integrated, Simplified and institutionalized reporting
- Ensuring accountability and monitoring performance

**Thank You!!!**